
China's Belt and Road Initiative and Kazakhstan: Opportunities and Challenges

China's Belt and Road Initiative (BRI) is one of the most ambitious infrastructure projects ever conceived. The main objectives of the initiative are both to expand China's political, cultural and strategic influence throughout Eurasia and to establish China as the economic centre of the supercontinent. The BRI consists of roads, railways, oil pipelines, power transmission networks, ports and other infrastructure projects that will connect China to the world.

Central Asia's geography plays an indispensable role in the BRI. In this project, Kazakhstan is one of the countries playing a key role owing to its natural resources, large landmass and strategic location. Kazakhstan is the largest landlocked country in the world and has the strongest economy among its central Asian neighbours because of its rich natural resources. There is no doubt that this is why Xi Jinping first announced the BRI at Nazarbayev University in the Kazakh capital, Nur-Sultan, in 2013. Two of the BRI's six corridors pass through the territory of Kazakhstan: the New Eurasian Land Bridge and the China–Central Asia–West Asia Corridor.

Among central Asian countries, Kazakhstan is the main supporter of BRI because China's plans to use Kazakhstan as a regional transit hub through railways and power lines align with Kazakhstan's national development strategy. In 2015, the government in Kazakhstan integrated the country's national development strategy (the Bright Road Plan) with the BRI to increase the commercial and industrial capacity of Kazakhstan and to improve the infrastructure system. The Bright Road Plan (Nurly Zhol) envisages spending \$40 billion on projects related to logistics, infrastructure, utilities, and SMEs by 2020. Also in 2015, China and Kazakhstan agreed 55 joint projects worth \$27.6 billion that will create 20,000 permanent jobs.

The most important factor in Kazakhstan becoming a BRI transit hub between East and West is the Khorgos container centre on the China–Kazakhstan border. Khorgos, 350 km northeast of Almaty, is the most

populous city in Kazakhstan. The Khorgos container centre is a joint venture between Kazakhstan and China and will be the largest dry port in the world. It is significant because Kazakhstan and China have different railway gauges, so the centre will enable goods from China to be transferred to Kazakh trains for onward shipment to Western Europe. Furthermore, the creation of a Special Economic Zone here will enable thousands of people from Kazakhstan and its neighbouring countries to use the zone as a discounted, visa-free, duty-free shopping complex. At full capacity, this container centre will be able to hold 70 % for goods transported between Kazakhstan and China.

In addition, a new city, Nurkent, has been founded in Khorgos. This city is intended to offer free housing, educational facilities, and entertainment activities to the more than 100,000 people expected to be working in dry-port-related sectors. Khorgos, once considered one of the most remote places in the world, is set to become the world's largest dry harbour, carrying up to 30 million tons of rail cargo per year, rivalling Germany's internal port in Duisburg. Along with Khorgos, the Shalkar–Beineu and Zheskazgan–Saksaulskaya railways, and the Kyruk ferry terminal will help Kazakhstan to strengthen its effectiveness and strategic position as a regional hub and transit country.

The BRI offers Kazakhstan a variety of opportunities for development. Thanks to the BRI, Kazakhstan, located where the East–West and North–South roads intersect, can become a regional centre by leveraging its geoeconomic and geopolitical position. The Khorgos dry port is a major factor in this.

One of Khorgos's biggest advantages is that it will be increasingly cost-effective as it is cheaper than air and faster than sea freight. A train from Yiwu in eastern China can, via Khorgos, reach Europe in only 15 days, compared to 35 days by sea. Moreover, if the government pursues a balanced foreign policy it may contribute to economic growth by attracting Chinese investors. China is the largest investor in Kazakhstan, signing contracts in 2015 totalling about \$50 billion.

Through the BRI, the Kazakh economy can reduce its dependence on natural resource imports, improve its manufacturing and technological capacity, and accelerate its economic development by improving the service sector. In addition, thanks to the Chinese capital flowing into the region, the project is expected to encourage urbanisation by bringing more immigrant workers and tourism to smaller towns in the country. And, if the railways and terminals operate at full capacity, new trade arteries will spring up on Kazakh territory. Finally, Kazakhstan can diversify its economic relationships by expanding economic and commercial relations with different countries, thereby balancing the economy and reducing the country's dependence on Russia.

While the BRI may seem to offer theoretical opportunities to Kazakhstan, the reality appears different. This can be seen in the current state of the Khorgos container centre. Apart from a few factories, the special economic zone consists mostly of empty desert, the dry port, a double railway line, and a warehouse. Less than 2,000 people currently live in the centre, although the population was expected to exceed 100,000. Despite the Kazakh government's positive approach to BRI, the public does not share the same view. One of the main reasons for this is that locals are suspicious that the increase in Chinese investments will disrupt the job market owing to expected Chinese immigration. There has also been a negative public reaction to China's alleged repression of the Uyghurs, who are culturally close to Kazakhs. PRC authorities have put increasing pressure on Uyghur diaspora networks, including increasing surveillance and pressure to repatriate to China. The Kazakh government's indifference to the Uyghurs and its increased cooperation with China have caused protests. Finally, China's debt-trap diplomacy and increasing bribery scandals concerning the BRI are negatively affecting the perceptions of both the people and the elite.

As a result, if Kazakhstan continues to pursue a multi-vector foreign policy and establish balanced relations with China, it can leverage the BRI to increase its economic capacity and pursue a more independent

foreign policy. However, the increasing anti-Chinese opposition alongside the debt-trap diplomacy that China is seen to pursue in countries such as Kyrgyzstan and Tajikistan is urging the Kazakh government to pursue a more cautious and balanced foreign policy strategy towards China.